

LFD Budget Analysis: DPHHS Technology Services Division

Technology Services Division Major Budget Highlights

The executive requests a total fund decrease of 2.9% over the 2021 biennium primarily due to a \$1.1 million present law decrease for SITSD Service Now costs.

Program Biennium Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Program Biennium Comparison | | | | |
|--------------------------------|------------------------------|---------------------------|----------------------|----------------------|
| Budget Item | Appropriated Budget 20-21 | Requested Budget 22-23 | Biennium Change | Biennium % Change |
| Personal Services | 10,403,181 | 9,884,582 | (518,599) | (4.99)% |
| Operating Expenses | 52,542,452 | 51,257,949 | (1,284,503) | (2.44)% |
| Equipment & Intangible Assets | 418,412 | 418,412 | 0 | 0.00 % |
| Debt Service | 189,078 | 182,532 | (6,546) | (3.46)% |
| Total Expenditures | \$63,553,123 | \$61,743,475 | (\$1,809,648) | (2.85)% |
| General Fund | 25,955,136 | 25,755,297 | (199,839) | (0.77)% |
| State/Other Special Rev. Funds | 3,458,851 | 2,773,560 | (685,291) | (19.81)% |
| Federal Spec. Rev. Funds | 34,139,136 | 33,214,618 | (924,518) | (2.71)% |
| Total Funds | \$63,553,123 | \$61,743,475 | (\$1,809,648) | (2.85)% |
| Total Ongoing | \$63,553,123 | \$61,743,475 | (\$1,809,648) | (2.85)% |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Technology Services Division
Organization & Budget (millions)
request:

- Support Services - \$13.8
- Data System maintenance - \$47.7
- Medicaid Expansion Admin - \$0.2

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Budget Item | Actuals Fiscal 2020 | Approp. Fiscal 2020 | Approp. Fiscal 2021 | Request Fiscal 2022 | Request Fiscal 2023 |
| FTE | 0.00 | 56.00 | 56.00 | 56.00 | 56.00 |
| Personal Services | 4,806,528 | 5,286,278 | 5,116,903 | 4,913,121 | 4,971,461 |
| Operating Expenses | 26,659,791 | 26,436,504 | 26,105,948 | 25,593,128 | 25,664,821 |
| Equipment & Intangible Assets | 0 | 209,206 | 209,206 | 209,206 | 209,206 |
| Debt Service | 852 | 97,812 | 91,266 | 91,266 | 91,266 |
| Total Expenditures | \$31,467,171 | \$32,029,800 | \$31,523,323 | \$30,806,721 | \$30,936,754 |
| General Fund | 12,666,885 | 12,785,962 | 13,169,174 | 12,837,802 | 12,917,495 |
| State/Other Special Rev. Funds | 1,836,758 | 2,024,368 | 1,434,483 | 1,383,424 | 1,390,136 |
| Federal Spec. Rev. Funds | 16,963,528 | 17,219,470 | 16,919,666 | 16,585,495 | 16,629,123 |
| Total Funds | \$31,467,171 | \$32,029,800 | \$31,523,323 | \$30,806,721 | \$30,936,754 |
| Total Ongoing | \$31,467,171 | \$32,029,800 | \$31,523,323 | \$30,806,721 | \$30,936,754 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

- DPHHS transferred the Project Management function and 4 HB2 FTE to the Operations Services Division during FY 2020

Funding

The following table shows proposed program funding by source of authority.

| Department of Public Health & Human Services, 09-Technology Services Division | | | | | | |
|---|---------------------|------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funding by Source of Authority | | | | | | |
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 25,755,297 | 0 | 0 | 0 | 25,755,297 | 41.71 % |
| 02381 02 Indirect Activity Prog 09 | 2,773,560 | 0 | 0 | 0 | 2,773,560 | 100.00 % |
| 02597 Healthy Montana Kids Plan | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| 02789 6901-CHIP/MCHA Tobacco Sett Fd | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| State Special Total | \$2,773,560 | \$0 | \$0 | \$0 | \$2,773,560 | 4.49 % |
| 03580 6901-93.778 - Med Adm 50% | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| 03598 03 Indirect Activity Prog 09 | 33,214,618 | 0 | 0 | 0 | 33,214,618 | 100.00 % |
| 03426 CHIP Program Fed | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| Federal Special Total | \$33,214,618 | \$0 | \$0 | \$0 | \$33,214,618 | 53.79 % |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Total All Funds | \$61,743,475 | \$0 | \$0 | \$0 | \$61,743,475 | |

All HB 2 appropriations are funded through cost allocation using a formula that recognizes the multiple funding sources and required general fund matches for costs that benefit common purposes related to work done by TSD throughout the department.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

| Budget Summary by Category | | | | | | | | |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
| | Budget Fiscal 2022 | Budget Fiscal 2023 | Biennium Fiscal 22-23 | Percent of Budget | Budget Fiscal 2022 | Budget Fiscal 2023 | Biennium Fiscal 22-23 | Percent of Budget |
| 2021 Base Budget | 13,169,174 | 13,169,174 | 26,338,348 | 102.26 % | 31,523,323 | 31,523,323 | 63,046,646 | 102.11 % |
| SWPL Adjustments | (55,235) | (21,666) | (76,901) | (0.30)% | (137,668) | (53,759) | (191,427) | (0.31)% |
| PL Adjustments | (240,413) | (240,413) | (480,826) | (1.87)% | (543,210) | (543,210) | (1,086,420) | (1.76)% |
| New Proposals | (35,724) | 10,400 | (25,324) | (0.10)% | (35,724) | 10,400 | (25,324) | (0.04)% |
| Total Budget | \$12,837,802 | \$12,917,495 | \$25,755,297 | | \$30,806,721 | \$30,936,754 | \$61,743,475 | |

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

DP 901 - SITSD added an enterprise rate for ServiceNow for the 2023 biennium. ServiceNow should improve workflows for agencies. OBPP asked agencies to identify operating efficiencies and other costs savings that result from using ServiceNow.

| Present Law Adjustments | | | | | | | | | |
|--|-----------------------|--------------------|-------------------|--------------------|--------------------|-----------------------|--------------------|-------------------|--------------------|
| | -----Fiscal 2022----- | | | | | -----Fiscal 2023----- | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Total Funds |
| DP 1 - Personal Services | 0.00 | (63,231) | (12,481) | (81,946) | (157,658) | 0.00 | (58,339) | (11,505) | (75,598) |
| DP 2 - Fixed Costs | 0.00 | 8,356 | 1,671 | 10,863 | 20,890 | 0.00 | 36,899 | 7,380 | 47,968 |
| DP 3 - Inflation Deflation | 0.00 | (360) | (72) | (468) | (900) | 0.00 | (226) | (45) | (293) |
| DP 901 - SITSD Service Now Reduction | 0.00 | (240,413) | (40,177) | (262,620) | (543,210) | 0.00 | (240,413) | (40,177) | (262,620) |
| Grand Total All Present Law Adjustments | 0.00 | (\$295,648) | (\$51,059) | (\$334,171) | (\$680,878) | 0.00 | (\$262,079) | (\$44,347) | (\$596,969) |

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

New Proposals

The New Proposals table shows new changes to spending

| New Proposals | | | | | | | | | | |
|--|-------------|-------------------|---------------|-----------------|-------------------|-------------|-----------------|---------------|-----------------|-----------------|
| | Fiscal 2022 | | | | | Fiscal 2023 | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 904 - NRIS/GIS Fixed Costs | 0.00 | 10,400 | 0 | 0 | 10,400 | 0.00 | 10,400 | 0 | 0 | 10,400 |
| DP 5555 - Reduce GF Budget for State Share Holiday | 0.00 | (46,124) | 0 | 0 | (46,124) | 0.00 | 0 | 0 | 0 | 0 |
| Total | 0.00 | (\$35,724) | \$0 | \$0 | (\$35,724) | 0.00 | \$10,400 | \$0 | \$0 | \$10,400 |

**Total Funds* amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 904 - NRIS/GIS Fixed Costs -

The 2019 Legislature enacted HB 633 requiring the Legislative Finance Committee (LFC) to conduct a study of the funding of digital library services. The LFC recommended that the Office of Budget and Program Planning include an assessment for the natural resource information system (NRIS) and the geographic information system (GIS) as a fixed cost to state agencies beginning in the 2023 biennium. The assessment is made to those agencies that utilize the NRIS/GIS.

DP 5555 - Reduce GF Budget for State Share Holiday -

Governor Gianforte has proposed legislation to impose a two-month state share holiday for employer contributions into the state health insurance fund. This change package removes the general fund portion of the savings generate by the contribution holiday. Savings from other funding sources will remain in the agency to be able to address ongoing functions of the agency. This change package is contingent on passage and approval of the proposed legislation.